

Text used.

National Security Industrial Association
Sheraton Washington Hotel
Washington, D.C.
2000, Thursday, 4 October 1979

As a military officer, I long admired the considerable efforts of this Association to ensure good communications on national security issues between the military and American industry. As an intelligence officer, vitally concerned with those same issues, I appreciate the opportunity to be with you tonight and to participate in your dialogue with the Intelligence Community. It is very important to us.

I would like briefly to talk with you about some of the changes which are occurring in the Intelligence Community, particularly as they relate to American business, and to ask your assistance in helping solve some problems which affect both of us.

One of the greatest strengths of the American Intelligence Community is its ability to collect the information which is needed, when it is needed. I could not say that with such confidence were it not for the incredibly sophisticated and effective technical collection capabilities, in signals and photographic intelligence and in information processing, which American industry has developed for us over the years. There is just no question that American intelligence technology is the best in the world and that it has been instrumental in putting us clearly ahead of the Soviet Union in intelligence collection. We are very grateful to you in the business world who make this possible.

Interestingly, though, the very technological successes which you have given to us have generated their own problems. Today, for instance,

the quantity of information which our advanced systems can collect is prodigious. / No intelligence officer, however, will ever complain about having too much information. / We are always trying to put together a picture puzzle / when we have only 20 or 30 percent of the pieces. / You always want more pieces / to ensure you have all of the important ones. / Identifying the important pieces / - those which are most likely to give shape to the puzzle, is the essence of our task. / With your help we have been working on ways to employ computers / to screen the larger and larger quantities of data / so that we need only surface to human analysts ^{only} that which will be worth their attention. / Since the quantity of information you will help us to collect / will almost certainly continue to grow, / and since the number of humans available to process it / will almost certainly continue to be limited, / we will need more and more sophisticated techniques / for ensuring that important information is not overlooked. /

The value of being able to screen information quickly and efficiently, / even old information, which at the time did not seem to be relevant, / has been underscored in just the past few weeks. / I refer to the issue of the Soviet brigade in Cuba. / In 1963 we estimated that the ground combat forces / which the Soviets had introduced into Cuba had all been withdrawn. / It was not until 1978 / that we began to have strong suspicions / that this was no longer the case. / Thanks to an intelligence breakthrough in August of this year, / we were able to adduce persuasive evidence / that there is now a Soviet combined arms combat brigade in Cuba. / Building on that evidence, / and using new clues we obtained recently, / we have reexamined data from 1962 until present. / These probings still persuade us / that the combat capability was withdrawn in

1963-64, / but also show that by at least the mid-1970s / such a capability had been reestablished / in essentially its present form; / that is, a combined arms brigade with three motorized infantry battalions, / one tank battalion, / and all of the normal artillery, anti-aircraft, anti-tank, and other support elements / common to a Soviet combatant unit of this size. / This relook at 17 years worth of stored data / could not have been done without the prodigious computer storage, / retrieval and sorting capabilities / in which American industry excels.

// Another problem of success with the sophisticated equipments which you provide for us / is that much of it has been of such outstanding quality / that it has lasted much longer than was expected. / You make us feel like the aborigine who spent the morning building a better boomerang, / and the afternoon trying to ~~get rid of~~ ^{throw away} the old one. / This is literally one of the great, unsung accomplishments of American industry. / It has not only enabled us to carry out our job / with a very high degree of reliability, / it has also saved us a lot of money. / Consequently, over the last half dozen years / we lived off of the systems that we expected would wear out several years ago. /

But windfalls always seem to come to an end. / Today we face the block obsolescence of a number of these long-lived systems. / Quite simply, replacing them all at once / is more than we can afford. / We will be forced to be very discriminating in what we purchase / from the

systems which you have developed for us. // We will no longer be able to buy all of the new or improved capabilities that you can offer to us. // Our planning will have to reflect our most critical needs. // We will have to assess carefully the technological opportunities presented to us. // At the same time, we will continue to need the ingenuity of American industry to stay ahead--perhaps need it even more than ever. // What this means is the continued development of a number of new concepts, but full pursuit of only a few. // We will need your help in identifying areas of the largest payoff per dollar spent. // Just doing more or being more efficient may not be enough to justify new investments. //

One area, which I have already mentioned, and that I suspect will qualify for new expenditures under this kind of criteria, is data processing and handling. // Another, is entirely new techniques of collecting data, for we have by no means reached the limits of your ability to innovate for us. // Still a third, is the application of large-scale integrated circuit technology to intelligence purposes. // Decisions--yours and mine--on whether these or other areas are most worthy of investment will be difficult. // Still, I think that reaching them together can be the cornerstone of an even stronger and more productive relationship between American security industries and the Intelligence Community.

// A second strength of American intelligence has traditionally been the quality of the finished intelligence which has been produced. // And here,

Analyses or estimate

too, there has always been a strong, / and quite legal and proper link /
between the American business and intelligence communities. / Today as
economic issues affect more and more of our national decisions, / the
importance of this link increases. / We are more than grateful for your
continuing support and advice. /

I am attempting to make this more of a two-way street. Over the past two and one-half years, ~~for instance~~, beginning with our first unclassified study on the world energy situation, we have published for ~~you & for~~ more than 300 studies, analyses, or statistical summaries on world issues. They have, I believe, contributed to a better informed citizenry, and have stimulated important national debate.

~~Two months ago, we published an updated version of that first energy study, confirming the general conclusions of the original study. It not only stimulated discussions here at home, it even elicited a strong reaction from the Soviets. So you see, the debate is enlarging.~~

Today we are also working actively with the Department of Commerce to find ways of periodically briefing American businessmen about economic, political and military developments in different areas of the world. It seems to me particularly important, considering the increasingly competitive international business climate, that if information exists within our government which could assist the American business community, it should be shared with you to the greatest extent possible.

I need not stress that there are inherent problems in attempting to do this. One is ensuring that we can continue to protect our sources of information; another is being scrupulously sure that one business is not given preferential treatment over another; another is the absolute necessity of our protecting proprietary information when it is shared with us. I might also say, paraphatically, that while businessmen sometimes write to us to compliment the work we do in publishing information, they also sometimes take exception when we publish something about their areas of interest. It's alright, they

say, for us to publish about Joe's industry but not theirs. I ask your forebearance. We are trying to be evenhanded, writing reports where there is a need for them, and working to support all American business. Despite these problems, I am persuaded that we can do more for you. I am committed to trying to do so.

// At the same time, I believe, the potential of intelligence to contribute to you and to the national security is endangered today. Imbalances have developed and we need your active support in correcting them. // *let me cite a couple*

~~Let me mention~~ first, the improper release of classified information. This practice is fast becoming our most serious problem. Leaks from within the government are a big part of this problem. It is a part which we are working to control, especially through better security measures and through generating a renewed sense of respect for classified information by those with access to it.

Another part of the problem results from the authorship of books and articles intended to disrupt legitimate intelligence activities. We should be able to do something about this but are severely constrained. *P.A.* Phillip Agee, a former CIA employee, is now making a profession of exposing everything which he learned about the CIA when in it or which he has found out since. He and others regularly publish a slick bulletin called "Covert Action." Its professed objective is to identify undercover American intelligence officers around the world. Obviously, once identified, an intelligence officer and his or her family become the target of terrorists and kooks alike. Their potential effectiveness is diminished, and our attention is diverted to protecting or moving

them rather than concentrating on the work that we are authorized to do. / I have virtually no legal recourse against this kind of activity. /

That in itself is saying something because there are some thirty U.S. laws which make it a crime to reveal tax information, commodity futures, and other commercial information. / Almost no comparable legislation protects national security information. / The law under which we generally must prosecute an individual for revealing classified information is the antiquated Espionage Act of 1917. / Under it, proof of intent to harm the United States is required. / You don't need to be a lawyer to appreciate the difficulty in proving intent of any kind. / As long as an individual professes to believe that America would be better off as a result of his actions, / it is difficult to prove that he intends to harm the country. / We are proposing legislation to correct this and I ask your support. /

Second, / not only can we not protect ourselves and the country from unscrupulous authors under existing laws, / there are some laws which actually help such people. / One is the Freedom of Information Act. / Now I support fully the concept of freedom of information. / American citizens should be able to find out what information the government has stored away about them; / what the government is doing, / how it is being managed, and how taxes are being spent. / But for their own / and for the good of the country, / some information must be protected. / Sometimes we forget that once information is public, / it is also available to our enemies to employ against us. / An intelligence organization cannot operate totally in the open. / Some information certainly should be available from intelligence files, / but unless we can protect the

identity of our sources and how we go about our work, we will soon be out of business--just as you would be if your unique production processes or management techniques or your competitive bids could not be protected from your competitors.

Every year we spend nearly \$3 million dollars to answer over 4,000 Freedom of Information Act requests. Some of them come from children; some are form letters; some come from each student in a high school civics class, just to explore how the government works. Each request costs the taxpayer, on the average, over \$800. Some cost much more. We have been required, for example, to devote two people full-time during the past three years to providing information requested by Mr. Agnew alone. The irony of the government's employing people to help an individual whose avowed purpose is to destroy a duly constituted agency of the very government which is helping him is, I am sure, not lost on this audience. Note that if the chief of Soviet intelligence were to write us, we would be obliged by this law to respond within ten days. We are also proposing legislation to correct this situation, and again I ask your support.

These two problems I have cited are, I think, inevitable in a society as free as ours--and I assure you I would not trade shoes with Yurij (Uri) Andropov, my counterpart in the Soviet Union, even though he has neither the financial nor public impediments on his actions that I do. The advantages in a free society of being able to express divergent, even unorthodox views is absolutely essential if good intelligence is to be produced. Exposing the contrary view is fundamental to solid intelligence. And because our society encourages such views to come forward, they will always be with us. We can live with

them. But at the moment, the pendulum has swung so far that the Intelligence Community and, as a result, the national security, is being harmed. The legislation we are proposing seeks to achieve a more reasonable balance between secrecy and openness.

In conclusion then, your Intelligence Community is undergoing substantial change. Change is never easy or comfortable in any organization-as you've seen from our press. But American business understands this, perhaps better than any other segment of society. The ability to adapt and to change has requirements change has been one of your great strengths.

I ask you tonight for your understanding, your support, and your help as we in the Intelligence Community adapt to the rather profound changes which have been taking place around us, over the past four to five years.

Your contributions to our intelligence work continue to be of unparalleled importance to us. In the end they may well determine whether we stay ahead or fall behind. I have such confidence in you that I am not concerned about falling behind. With your continued support, for which I am deeply grateful, we intend to remain the best of all of the world's intelligence organizations.

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DCI'S EVENING, THURSDAY, 4 OCTOBER 1979

1930 Arrive Sheraton Washington Hotel
[DCI will be met by Col. Lambert, who will escort DCI and Mrs. Turner to reception in the Park Room]

1940 Mrs. Turner will be met by the Milo Coopers and escorted to table

1945 Walk-on for head table; Dinner
DCI's table partners are:

Mr. I. K. Kessler, Executive Vice President, RCA and outgoing President, NSIA

Mr. Jess Linn, Executive Vice President, GTE and incoming President, NSIA

DCI Address

o/a 2200
2230 ENR Meridian House (1630 Crescent Place, N.W.)

o/a 2210
2240 Arrive Meridian House
[DCI and Mrs. Turner are at Canadian Table-- Ambassador Peter Towe ("Toe") and Mrs. Carol Towe]

NOTE: Hostess at door may be Ben Evans' wife, Jan.

Bios --

I. K. Kessler
Jess Linn (NON AVAILABLE)
Ambassador Peter Towe
Mrs. Carol Towe

PA

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*The Thirty-Sixth Annual Meeting
of the
National Security
Industrial Association*



THE SHERATON-PARK HOTEL
WASHINGTON, D.C.
4 OCTOBER 1979



NSIA ANNOUNCEMENT

NSIA
Suite 700
Union First Building
740-15th St., N.W.
Washington, D.C. 20005
(202) 393-3620

24 August 1979

THIRTY-SIXTH ANNUAL MEETING OF THE
NATIONAL SECURITY INDUSTRIAL ASSOCIATION
THE SHERATON-PARK HOTEL
4 OCTOBER 1979

The Association's Thirty-Sixth Annual Meeting will be held in the Dover Room at the Sheraton-Park Hotel, Washington, D.C., on 4 October 1979. The Annual Business Meeting, to include the election of Trustees and presentation of the Chairman's Annual Report, will be conducted as the first item of business in the forenoon, followed by the Annual Meeting of the Board of Trustees. Immediately following these meetings, this year's program will again present a Defense Industry Executives Seminar oriented to the special interests of senior management personnel of NSIA member companies, featuring discussions of DoD major problems and needs, current programs and future plans by senior officials of the Department of Defense. The seating capacity for the seminar is limited and your early registration is recommended.

The Honorable Stansfield D. Turner, Director, Central Intelligence Agency will be the guest of honor and speaker at the Annual Dinner in Sheraton Hall. For the Annual Luncheon, Lieutenant General George M. Seignious, USA (Ret), Director United States Arms Control and Disarmament Agency will be the guest of honor and speaker.

The evening dinner will be preceded by a reception to be held at 7:00 pm in the Park Room of the hotel.

You are cordially invited to attend all activities scheduled on the day's program. Guests will be welcome at the luncheon and dinner. In accordance with its usual practice and DoD regulations, the Association will extend official invitations to DoD and other government guests for the dinner. Administrative details are on page 4.

Wallace H. Robinson, Jr.
President

Evening dress:
Black tie or equivalent uniform

PROGRAM 4 October 1979

ANNUAL BUSINESS MEETING AND DEFENSE INDUSTRY EXECUTIVES SEMINAR (Dover Room)

Presiding, I. K. Kessler, Chairman, NSIA Board of Trustees

8:00-8:25 am	Continental Breakfast—Wilmington Room
8:30-10:00 am	Annual Business Meeting—Dover Room <ul style="list-style-type: none">• Call to order• Election of Trustees• Chairman's Report• Legislative Report<ul style="list-style-type: none">Chairman, Legislative Information Committee Annual Meeting, Board of Trustees <ul style="list-style-type: none">Election of Officers and other OfficialsOther business as develops
10:00-11:30 am	Defense Industry Executives Seminar—Dover Room The following senior DoD officials will participate as a panel. <ul style="list-style-type: none">• The Honorable Gerald P. Dinneen, Assistant Secretary of Defense (Communications, Command, Control and Intelligence)• Mr. Richard Danzig, Principal Deputy Assistant Secretary of Defense, (Manpower, Reserve Affairs and Logistics)• Mr. John R. Quetsch, Principal Deputy Assistant Secretary of Defense, (Comptroller)
11:45 am	LUNCHEON RECEPTION (The Wilmington Room)
12:15-2:00 pm	LUNCHEON (The Maryland Room) <ul style="list-style-type: none">• Presentation of Certificates of Honorary Membership• Guest of honor and speaker: Lt. Gen. George M. Seignious, USA (Ret), Director, United States Arms Control and Disarmament Agency
7:00 pm	RECEPTION (Park Room)
8:00 pm	THE ANNUAL DINNER (Sheraton Hall) Guest of honor and speaker: The Honorable Stansfield D. Turner, Director, Central Intelligence Agency

24 August 1979

ADMINISTRATIVE MEMORANDUM

Thirty-Sixth NSIA Annual Dinner

1. The Office of the Assistant Secretary of Defense (Public Affairs) has approved attendance of DoD personnel at the Thirty-Sixth Annual Dinner, on the basis that in consonance with current Government guidelines, NSIA will invite *all* DoD and other Government guests, including both military and civilian personnel, and company requests or recommendations may not be used as bases for inviting and seating of DoD personnel.
2. The Association will also invite as *dais* guests senior civilian and military officials of the Department of Defense, the Military Services and other appropriate Government Agencies.
3. Companies desiring to have Association-invited Government guests at their tables, are requested to indicate on the enclosed Reservation Form the numbers of such guests who can be accommodated. Early return of the form is requested.
4. It is important that the members not contact any prospective Government guests in advance of the NSIA invitation. It is also suggested that the NSIA reception be used for pre-dinner socializing with Government guests.
5. The price of a table of ten is \$475. The price of an individual place is \$47.50.
6. Individuals requiring sleeping rooms should make reservations through The Reservations Manager, The Sheraton-Park Hotel, 2660 Woodley Road, N.W., Washington, D.C. 20008. Telephone No. COLUMbia-5-2000, extension 2073.
7. No refunds can be made on cancellations received after 30 September 1979.

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OFFICE OF THE DIRECTOR

Date: 26 Sept. 1979

Sam

TO: DCI
FROM: Special Assistant
SUBJECT: NSIA Dinner, 4 October 1979

REMARKS:

ATINTL FYI, in addition to those listed in the attached list, the following will attend:



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Schedule for evening is attached.

4 Oct

ATINTL

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cc:



AMONG APPROXIMATELY 100 AT HEAD TABLE

Admiral James D. Watkins
Vice Chief of Naval Operations

RAdm. Ross Trower, Chief of
Chaplains, Navy Dept.

Gen. J. A. Hill
Vice Chief, Air Force

Hon. E. B. Staats
Comptroller General, US

Gen. R. H. Barrow
Commandant of the Marine Corps

Hon. Richard C. Atkinson, Director
National Science Foundation

Adm. A. J. Whittle, Jr.
Chief of Naval Material

Hon. Melvin Price, Chairman
House Armed Services Committee

Hon. Alan Gibbs
Assistant Secretary of the Army (IL&FM)

R. S. Ames, Sr. Vice President
Textron, Inc.

Hon. P. A. Pierre,
Assistant Secretary of the Army (RD&A)

C. A. Bowsher, Managing Partner, G
Arthur Andersen & Co.

Hon. G. A. Peapples
Asst. Sec. Navy (FM)

W. L. Clark, Staff V.P. Eastern Reg
Rockwell International

Hon. J. A. Hewitt, Jr.
Asst. Sec., Air Force (FM)

S. A. Conigliaro, President & Chief
Executive Officer, Sperry Division
Sperry Rand Corp.

Hon. R. J. Herman
Asst. Sec. Air Force (RD&L)

J. S. Herbert, Executive Vice Presid
Western Electric Company, Inc.

LtGen G. J. Post, Director
Defense Logistics Agency

CHAIKIN  I. K. Kessler, Executive Vice Preside
RCA Corporation

Forbes Mann, Sr. Vice President
The LTV Corp.

Dr. R. R. Fossum, Director
Defense Advanced Research Projects
Agency

E. G. Uhl, Chairman & Chief Execu
Officer, Fairchild Industries

Vice Adm. R. R. Monroe, Director
Defense Nuclear Agency

David Westermann, Chairman & Chie
Executive Officer, Hazeltine Corp.

Vice Adm. S. L. Gravely, Jr., Director
Defense Communications Agency

C. E. Dart, Executive Vice Presiden
Newport News Shipbuilding & Dry D

Maj. Gen. W. L. Nicholson, III, Director
Defense Mapping Agency

M. B. Jobe, President
Goodyear Aerospace Corp.

Hon. R. A. Frosch, Administrator
NASA

H. D. Kushner, President



NATIONAL SECURITY INDUSTRIAL ASSOCIATION

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National Headquarters

Union First Bank Building, Suite 700
740 15th Street, N.W.
Washington, D.C. 20005
Telephone: (202) 393-3620

I. K. Kessler
Chairman, Board of Trustees

J. R. Lien
Vice Chairman, Board of Trustees
Chairman, Executive Committee

S. A. Conigliaro
Vice Chairman
Executive Committee

W. H. Robinson, Jr.
President

NSIA DINNER

4 October 1979

7:00 P.M. - Reception, Park Room, Sheraton Washington Hotel

P.M. - Adm. Turner arrives - 24th - (main) Street entrance, Sheraton Washington Hotel. Col. Lambert to meet and escort to Park Room.

7:30 PM DC1 + Mr Turner arrives
7:45 P.M. - Guests move to Sheraton Hall

7:50-8:05 - Dais Guest Assembly in Park Room

8:06 P.M. - Pipers lead Dais Guests to Sheraton Hall

8:06-8:15 - Dais Guests Mount Dais

8:15 - Colors, Invocation

8:20 P.M. - Dinner

9:15 P.M. - Introductions, I. K. Kessler, Chairman NSIA Board

9:20 P.M. - Introduction of Adm. Turner

9:22 P.M. - Adm. Turner speaks

10:00 PM - Upon conclusion of address, Mr. Kessler adjourns Dinner
- Post Dinner Reception in Suite 1340, Wardman Tower
- Trustees
- Special Guests

AMONG APPROXIMATELY 100 AT HEAD TABLE

Admiral James D. Watkins
Vice Chief of Naval Operations

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Sheraton Park Hotel
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Thank you very much. Thank you, Irv. Yes, I was in the Class of '47 that graduated in '46. One of my less illustrious classmates at one point in life was asked about this anomaly and he said, "Well, I completed the 4-year course in 3 years." What he didn't tell anyone was 832 others of us did the same thing.

As an ex-military officer, I have long admired the efforts of this Association to maintain a good dialogue on national security matters between American industry and the American military. As an intelligence officer, with those same kinds of issues very much in the fore, I am most pleased to be with you tonight to try to carry-on your dialogue with our nation's Intelligence Community.

I would like to briefly describe to you some of the changes that are taking place in our Intelligence Community today, particularly those that relate to American business, and also to ask your assistance in helping to solve some problems which we have and which affect both of us.

One of the greatest strengths of the American Intelligence Community is its ability to collect intelligence information and to collect it when we need it. I can only say that with such confidence because of the incredibly sophisticated and effective technical intelligence collection systems which you in American industry provide for us. Whether they are collecting signals intelligence, or photographic intelligence, or doing information processing, there is no question that the systems which you

provide to American intelligence agencies are the best in the world and they contribute mightily to the fact that we are well ahead of the Soviet Union in collecting intelligence. We are grateful to you in the business world who make this possible.

Interestingly, though, and not to complain, some of your technological successes have also generated problems for us. For instance, the quantity of information which our advanced technical systems collect today is simply prodigious. No intelligence officer, however, will complain about having too much information. After all, we are always in the position of trying to put together a picture puzzle when you only hold 20 or 30 percent of the pieces. We always want more pieces in order to ensure that we do have the important ones. Identifying the important pieces--those which are likely to give shape to the picture, is the essence of our task. With your help we have been working on ways to identify, through the use of computers, larger and larger quantities of data and to screen from those that limited amount of date which is worthy of being looked at by a human intelligence analyst. Since the quantities of data which you are likely to help provide for us are going to grow in the future, and since the number of analysts that we are likely to have is likely to be restricted in the future, developments in this information processing area are extremely important to us. Extremely important in ensuring that out of these vast quantities of data that information which is important--putting the puzzle together--is not overlooked.

The value of being able to screen information quickly and efficiently, even old information which at the time it came in did not even appear to

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be relevant, has just been underscored in the last few weeks. I refer to the issue of the Soviet brigade in Cuba. In 1963 we estimated that all of the Soviet combat forces that had been introduced into Cuba had then been withdrawn. It was not until 1978 that we began to have strong suspicions that this was no longer the case. Thanks to an intelligence breakthrough in August of this year, we were able to adduce persuasive evidence that there is now a Soviet combined arms brigade in Cuba. Building on this evidence, using these new clues, we have reexamined the data from 1962 until present. These probings still persuade us that the combat capability was withdrawn in 1963-64, but they also show us that by at least the mid-1970s such a capability had been reestablished in about its present form; that is, a combined arms brigade with three motorized infantry battalions, one tank battalion, and all of the normal artillery, anti-aircraft, anti-tank, and other support elements common to a Soviet combatant unit of this size. This relook at 17 years worth of stored data could not have been done without the prodigious computer storage, retrieval and sorting capabilities in which American industry excels.

Another problem of success with the sophisticated equipments which you provide to us is that much of it has been of such outstanding quality that it has lasted much longer than was expected. You make us feel like the aborigine who spent all morning building a new boomerang, and all afternoon trying to throw away his old one. This is literally one of the great, unsung accomplishments of American industry. It has not only enabled us to carry out our task with great reliability, but it has also saved us a lot of money. Consequently, over the last half dozen years or so, we have lived off systems that we expected would have worn out some years ago.

Approved For Release 2001/08/07 : CIA-RDP80B01554R003000320001-7
But windfalls always seem to come to an end. Today, we face the

block obsolescence of a number of these long-lived systems. Quite simply, replacing them all at once is going to be more than we can afford. We will be forced to be very discriminating in what we purchase from the systems which you have been developing for us. We will not be able to buy all of the new or improved capabilities that you can offer to us. Our planning will have to reflect our most critical needs. At the same time though, we are going to continue to need the ingenuity of American industry to stay ahead--perhaps we will need that even more in the years to come. What this means then is that the continued development of a number of new concepts is going to be necessary but we will only be able to pursue a few of them fully. We are going to need your help in identifying the areas of the largest payoff per dollar. Just doing more or being more efficient may not be enough to justify new investments.

One area which I have mentioned already and that I suspect will qualify for expenditures under this kind of criteria is data processing and data handling. Another, is entirely new techniques for collecting data, for we have by no means reached the limits of innovativeness which American industry can provide for us in this area. Still a third, is the application of large-scale integrated circuit technology to intelligence applications. The decisions--yours and mine--on whether these or other areas are the ones most worthy of investment will, indeed, be difficult. Still, I think that reaching them together can be the cornerstone of an even stronger and more productive relationship between American security industries and our Intelligence Community.

A second strength of American intelligence has traditionally been the quality of our analyses estimates. In doing these estimates, in

Approved For Release 2001/08/07 : CIA-RDP80B01554R003000320001-7
doing these evaluations that we have, we have always had a strong and a very proper link between the American business and the American Intelligence Community. And today as economic issues affect us more and more in our national decision-making, the importance of this link between us increases. We are, today, more and more grateful for the continuing support and advice that you provide us.

I am attempting to make this more of a two-way link. Over the past two and a half years for instance, beginning with our first unclassified study on the world energy situation, we have published for you and for the American public more than 300 studies, analyses, and statistical summaries on world issues. They have, I believe, contributed to a better informed citizenry, and have stimulated important national debate.

Today we are working actively with the Department of Commerce to find ways to periodically brief American businessmen about economic, political and military developments in different areas of the world. It seems particularly important to me, considering the increasingly competitive international business climate, that if information exists within our government which will be of use to American business, that it should be made available to the greatest extent possible.

I need not stress that there are inherent problems in attempting to do this. One is ensuring that we can continue to protect our sources of information; another is being scrupulously sure that one business is not given preferential treatment over another; still another is the absolute necessity of our protecting proprietary information when it is shared with us. I might also say, parenthetically, that while businessmen sometimes write to us and compliment us on the things we

Approved For Release 2001/08/07 : CIA-RDP80B01554R003000320001-7
have published, they also sometimes take exceptions when we publish something in their particular areas of interests. It's alright, they say, for us to publish about Joe's industry but not about theirs. I ask your forbearance. We are trying to be evenhanded, writing reports where there is a need for them, and working to support all American businesses. Despite these problems, I am persuaded that we can do more for you and I am committed to trying to do it.

At the same time, I believe that the potential of American intelligence to contribute to you and to the security of our nation is endangered today. Imbalances have developed and we need your active support in correcting them.

Let me cite a couple of examples. First, the improper release of classified information is rapidly becoming our most serious problem. Leaks from within the government are a big part of the problem. I can assure you it is a part which we are working to correct, especially through better security procedures and through generating a renewed sense of respect for classified information from those who have legitimate access to it.

Another part of the problem results from the authorship of books and articles deliberately intended to disrupt legitimate intelligence activities. We should be able to do something about this but we are severely constrained. Mr. Phillip Agee, a former CIA employee, today makes a profession out of exposing publicly all of the information he gained about the Agency when he was with it and anything he has learned ever since. He and others regularly publish, here in Washington, a slick bulletin called "Covert Action." Its professed objective is to

Approved For Release 2001/08/07 : CIA-RDP80B0155R003000320001-7
identify undercover American intelligence officers around the world.
Obviously, once identified, an intelligence officer and his or her family become the target of terrorists and kooks alike. Their potential effectiveness is diminished, and our attention is diverted to protecting or moving them rather than concentrating on the work that we are authorized to do. I have virtually no legal recourse against this kind of activity.

That in itself is saying something because this country does have thirty some laws which make it a crime to reveal tax information, commodity futures, and other commercial information. Almost no comparable legislation protects national security information. The law which we must generally rely upon when we prosecute the revelation of classified date is the antiquated Espionage Act of 1917. Under it, proof of intent to harm the United States must be established. You don't have to be a lawyer to see how difficult that can be. Someone like Mr. Agee simply proclaims that his intent, his belief is that what he is doing is going to help our country, not harm it. We are proposing legislation to correct this situation and I ask your support.

A second problem area is that we not only cannot protect ourselves and the country from unscrupulous authors under our existing laws, but there are actually some laws which help such people. One is the Freedom of Information Act. Now I support the concept of freedom of information. An American citizen should be able to find out what information the government has stored away about him; or how our taxes are spent, or how the government is managed. But for their own good and for the good of our country, there is some information that citizens should not have. Sometimes we tend to forget that when we make information available to

our own public, it is also available to our adversaries. An intelligence organization cannot operate totally in the open. Now still, some information from our files should be made available, but unless we can protect the identity of our sources of information and how we go about our work, we will soon be out of business--just as I would suggest as you would be if you could not protect your patents on production processes, your management techniques, and your competitive bids from your competitors.

Every year we spend \$3 million dollars to answer 4,000 inquiries under the Freedom of Information Act. Some of them come from children; some are from post cards; some come from each student in a high school civics class. On the average it costs the taxpayer some \$800 to service these. We have been required, for example, to employ two people full-time for over three years just to answer inquiries of Mr. Agee. Now look at the irony of a government that employs people to provide information to someone whose avowed purpose is to destroy a legitimate activity of that government. Today, if the chief of Soviet intelligence were to write us, I would be obliged under law to respond to him in ten days. We are also proposing legislation to correct this situation, and again I ask your support.

These two problems I have cited are, I think, inevitable in a society as free as ours--and yet I assure you that I would not trade shoes with Yurij Andropov, my counterpart in the Soviet Union, even though he has neither the financial nor the public impediments on his actions that I do. The advantages of a free society of being able to express divergent views, even unorthodox views, is absolutely essential to good intelligence. Exposing the contrary view is fundamental in our

business. And because our society encourages such views to come forward, they will always be with us. We can live with them. But at the moment, the pendulum has swung so far that the Intelligence Community and, as a result, the national security, is being harmed. The legislation that we are proposing seeks to achieve a more reasonable balance between secrecy and openness.

In conclusion then, let me say that your Intelligence Community is undergoing substantial change today and change is never easy or placid in a large bureaucracy. But American business understands this perhaps better than any other segment of our society. The ability to adapt to changing requirements has been one of your great strengths.

I ask you then tonight for your understanding, your support, and your help as we in the Intelligence Community adapt to these rather profound changes which have been taking place around us, for the past four or five years.

Your contributions to our intelligence work continues to be of unparalleled importance to us. In the end they may well determine whether we stay ahead or fall behind. I have such confidence in you and in the people of the American Intelligence Community that I am not concerned about falling behind.

With your continued support, for which I am deeply grateful, we intend to remain the best intelligence organization in the world. Thank you.

